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KARL MORELL

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June 20, 2008

The Honorable Anne Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street, S.W  
Washington, DC 20423-0001

Re: STB Docket No AB-471 (Sub-No 3X), South Kansas and Oklahoma  
Railroad, Inc. – Abandonment Exemption -- In Cherokee and Allen  
Counties, KS

Dear Acting Secretary Quinlan:

By notice served December 4, 2000, in the above-referenced proceeding, the Surface Transportation Board ("Board") authorized the abandonment of: (1) the 8-mile rail line located between milepost 109.0, at Iola, and milepost 117.0, at Humboldt, in Allen County, KS (the "8-Mile Line"); and (2) the 5-mile rail line located between milepost 382.0, at Sherwin, and milepost 387.0, at Faulkner, in Cherokee County, KS (the "5-Mile Line"). By decision served January 2, 2001, the Board reopened the proceeding and imposed a salvage condition recommended by the Board's Section of Environmental Analysis

A one and one-half mile portion of the 8-Mile Line is currently railbanked by the City of Iola and the remainder of that Line is subject to an outstanding NITU on behalf of Sunflower Recreational Trails, Inc

Prior to April 23, 2008, the salvage condition constituted a regulatory barrier to consummating the abandonment of the 5-Mile Line. See e.g., STB Docket No AB-391 (Sub-No. 8X), *Red River Valley & Western Railroad Company – Abandonment Exemption – In Dickey County, ND and Brown County, SD* (not printed), served October 17, 2001. Under the terms of 49 C.F.R. § 1152.29(e)(2), a railroad may not consummate an authorized abandonment if there is a legal or regulatory barrier to consummation but that once the legal or regulatory barrier is removed after the 1-year time limit for consummation, the railroad has up to 60 days to file its notice of consummation.

In the policy statement in STB Ex Parte No. 678, *Consummation of Rail Line Abandonments That Are Subject to Historic Preservation and Other Environmental Conditions* (not printed), served April 23, 2008 (the "Consummation Policy Statement"), the Board stated

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that salvage conditions are no longer a regulatory barrier to the filing of a notice of consummation. In other words, the *Consummation Policy Statement* had the effect of removing salvage conditions as regulatory barriers to the consummation of abandonments.

Pursuant to the *Consummation Policy Statement*, South Kansas & Oklahoma Railroad, Inc. ("SKO"), hereby gives notice that SKO consummated the abandonment of the 5-Mile Line, located between Sherwin and Faulkner, KS, as of June 19, 2008.

If you have any questions concerning this matter, please call me

Sincerely,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive, flowing style with a large initial "K".

Karl Morell